

## Message Text

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67

ACTION ARA-10

INFO OCT-01 IO-11 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01

/116 W

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R 041620Z MAR 76

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 664

INFO MTN GENEVA 86

UNCLAS GUATEMALA 1849

E.O. 11652: NA

TAGS: ETRD, GT

SUBJ: CHANGES IN GSP LIST

REF: GUATEMALA A-18

1. EMBASSY HAS LEARNED FROM WALL STREET JOURNAL FEBRUARY 27 THAT GSP LIST HAS BEEN SIGNIFICANTLY CHANGED. THROUGH COURTESY OF GUATEXPRO(GUATEMALAN EXPORT PROMOTION AGENCY), WE HAVE NOW BEEN PROVIDED WITH COPY OF RELEVANT EXECUTIVE ORDER - NO. 11906, FEBRUARY 26- AND ALSO AN STR NOTICE IN FEDERAL REGISTER OF FEBRUARY 24 OF POSSIBLE CHANGE RE TWO FURTHER ITEMS ON GSP LIST. NO OTHER INFORMATION ON GSP AMENDMENT HAS BEEN SENT US, POSSIBLY BECAUSE OF MINIMIZE.

2. ON BASIS MATERIAL AT HAND, GUATEXPRO AND EMBASSY MUST REPORT CONSIDERABLE CONFUSION REGARDING CHANGES.

A. ANNEX II TO ORIGINAL EXECUTIVE ORDER INSTITUTING GSP HAS BEEN AMENDED DELETING, ACCORDING TO E.O. 11906, SOME 88 DIFFERENT ITEMS FROM GSP LIST.

WALL STREET JOURNAL REFERS TO FINISHED PLYWOOD

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PLUS 78 OTHER ITEMS. CLEARLY EXECUTIVE ORDER

LISTING IS CORRECT. OR DOES WALL STREET JOURNAL STORY REFER TO YET FURTHER DELETIONS IN PROCESS?

B. E.O. 11906 ALSO CHANGES ANNEX I LIST OF COUNTRIES WHOSE EXPORT TO US IN CERTAIN CATERGORIES HAVE ATTRACTED "COMPETITIVE NEED" PROVISION OF LAW AND NOW ON HESE ITEMS IN 1976 DO NOT ENJOY DUTY-FREE TREATMENT. THIS LIST INCLUDES TSUS NUMBERS WHICH ALSO APPEAR ON LIST OF ITEMS DELETED ALTOGETHER FROM GSP. FOR EXAMPLE, BRAZIL IS NO LONGER TO ENJOY DUTY-FREE TREATMENT ON EXPORTS OF CURED BEEF VALUED UNDER 30 CENTS PER POUND(107.45). YET SAME ITEM IS ON LIST OF THESE DROPPED FROM GSP, ON WHICH NO BDC IS TO ENJOY DUTY PREFERENCE. KINDLY CLARIFY WHAT APPEARS TO BE REDUNDANT CITATION ON "COMPETITIVE NEED" LISTING.

C. WALL STREET JOURNAL STORY REPORTS THAT 77 NEW PRODUCTS ARE BEING ADDED TO GSP LIST AND THEIR IMPORT VALUE LAST YEAR TOTALED \$200 MILLION, MORE THAN IMPORT VALUE OF \$147 MILLION OF ITEMS DELETED. E.O. 11906 HOWEVER DOES NOT ADD ANY NEW ITEMS TO LIST. IT CHANGES THE IDENTIFICATION OF SOME 66 ITEMS (NOT 77). WHEREAS BEFORE, THESE WERE GSP ITEMS DESIGNATED IN TARIFF SCHEDULE BY CAPITAL A AND AN ASTERISK, NOW THEY ARE TO BE DESIGNATED SIMPLY CAPITTL A. IN OTHER WORDS, THESE 66 ARE NOW UNIVERSALLY IMPORTABLE DUTY-FREE FROM ALL BDC'S, WHEREAS BEFORE IN RESPOECT TO ONE OR MORE COUNTRIES OF ORIGIN, THE ITEMS ATTRACTED THE COMPETITIVE NEED PROVISION AND COULD NOT UNIVER-SALLY ENTER DUTY-FREE. IS THERE ANY SUBSTANCE TO WALL STREET JOURNAL STORY THAT GSP LIST IS BEING ENLARGED?

D. FEDERAL REGISTER NOTICE SAYS THAT REQUESTS FOR REVIEW ACCEPTED BY STR FOR WITHDRAWAL FROM GSP LIST OF FINISHED PLYWOOD (240.25) AND LEATHER WEARING APPAREL(791.75). WALL STREET JOURNAL REPORTS FINISHED PLYWOOD HAS ALREADY BEEN UNCLASSIFIED

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REMOVED, BUT TSUS NUMBER DOES NOT APPEAR ON EXECUTIVE ORDER LIST OF DELETIONS. WEARING APPAREL DOES APPEAR ON THAT LIST; HOW IS THIS POSSIBLE WHEN THE REVIEW PRESUMABLY HASN'T BEEN COMPLETED? PLEASE CLARIFY.

E. EFFECT ON CHANGES ON GUATEMALAN EXPORTS NOT YET FULLY EVALUATED, EXCEPT WE NOTE SUGAR FROM

GUATEMALA (155.20) NO LONGER ON "COMPETITIVE  
NEED" LIST. GUATEXPRO IS SURPRISED BECAUSE IT  
FEELS GUATEMALA EXPORTED TO US IN 1975 MORE THAN  
THE CUT-OFF AMOUNT OF \$25 MILLION OR ANY MARGINAL  
ADJUSTMENT UPWARD OF THAT LEVEL. GUATEXPRO OF  
COURSE PLEASED THAT GUATEMALAN SUGAR NOW CAN ENTER  
DUTY-FREE(WHEREAS POSITION REVERSED ON EL SALVADOR  
AND NICARAGUA SUGAR, WHICH PREVIOUSLY ABLE TO ENTER  
DUTY-FREE). EMBASSY WOULD BE GRATEFUL FOR  
EXPLANANATION OF REASON FOR CHANGE RE GUATEMALAN  
SUGAR.

3. WE WOULD ALSO BE GRATEFUL FOR BACKGROUND INFORMATION  
ON RECENT CHANGES AND PROSPECTS OF FURTHER REVISION OF  
LIST. GUATEXPRO HAS DONE CONSIDERABLE WORK IDENTIFYING  
AREAS WHERE EXPORTS MIGHT BE PROMOTED FROM GUATEMALA  
(REFAIR), BUT HAS ACTED ON ASSUMPTION GSP LIST WILL NOT  
CHANGE FREQUENTLY OR TO ANY SIGNIFICANT DEGREE.  
MELOY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GENERALIZED PREFERENCES (TARIFFS), EXCEPTIONS LIST  
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**Copy:** SINGLE  
**Draft Date:** 04 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Enclosure:** n/a  
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**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 76 GUATEMALA A-18  
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**Subject:** CHANGES IN GSP LIST  
**TAGS:** ETRD, GT, US, GUATEXPRO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006